

Green Energy Express LLC

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June 22nd, 2009

To: Clare Laufenberg-Gallardo, California Energy Commission
Subject: RETI Phase 2 Draft Report Comments

Green Energy Express, LLC respectfully and enthusiastically submits our comments on the RETI Phase 2A report and herein provides further description of the Green Energy Express Transmission (GEET) project for inclusion in the final RETI Phase II report.

Green Energy Express LLC (GEE) truly appreciates the efforts of the California Energy Commission (CEC) and their leadership role in bringing all parties together to develop a collaborative and coordinated process of integrating the many activities, agendas, concerns and knowledge of the various stakeholders to facilitate and ensure that energy transmission is getting the high priority it needs if the State is to accomplish the goals and objectives of the RPS and GHG Reduction laws.

We are also pleased with and applaud the openness that many stakeholders including the CAISO, CPUC, the BLM, State Parks and the RETI executive steering committee have shown in providing valuable information to us all. The RETI process has had a positive impact in channeling and focusing the attention on transmission planning and development in a strategic, collaborative and efficient manner.

It is the RETI process coupled with CAISO Transmission Planning process and the FERC's newly issued 890 regulations that prompt us to participate in assisting the State of California in providing much needed transmission. Private equity investors will be willing and able to invest in California transmission infrastructure as long as equal treatment, transparency and non-discriminatory treatment for all parties is respected and strictly followed. To be included in the final RETI Phase 2 report, we would like to bring to the CEC and the RETI stakeholders two issues that must be clarified:

On page 3-52 of the Phase II draft report, there is an indication that the GEET project may be a "redundant" project. We are aware of the proposed PV- Devers 500 kV (PVD2) line, now a Midpoint-Devers 500 kV line, and have taken this line into account in our preliminary reliability and economic analysis as a project that has been approved by the CAISO and the CPUC. The PVD2 line (as it is still known by) is rated at 1200 MW and will interconnect a 570 MW gas fired plant at Blythe (nearly 50% of the capacity) and solar projects in the Blythe area. It is our contention that the GEET project does not compete with the PVD2 line since the 1200 MW is insufficient in capacity to meet the solar and other renewable potential in East Riverside County and parts of San Bernardino County. Recent CAISO Generation Queue data indicates

approximately 4,900 MW of new renewable generation and an additional 1210 MW of Gas fired plants for a total of over 6,000 MW, with the Midpoint Substation (as part of the PVD2 line) indicating over 2600 MW of directly connected queued generation. In addition, we believe it's premature to conclude that any proposed transmission project is needed, not needed, redundant or otherwise until the CAISO Planning process has finalized their analysis and have determined the need of any proposed transmission project. We therefore respectfully request that the Riverside Group section on page 3-52 be clarified and revised accordingly.

Also on page 3-52, the report mentions a potential conflict with MWD facilities. It is not fully understood or clear as to what conflict is referred to as we have been working with both SCE and MWD and have not received information on any potential conflicts. We believe that the GEET project will add reliability benefits to MWD since the GEET project will create another path of energy to serve the MWD pump load.

Finally, we believe that it is critical that the RETI group(s) clarify and emphasize that their fruitful and valuable efforts are not "in lieu" of the CAISO Planning process, and that all transmission projects with a CAISO footprint must be processed through the CAISO's open season planning process (as the GEET project is presently going through) as outlined in the CAISO Tariff. Any hint of another process for transmission may create confusion and unnecessary burden on everyone and potentially circumvent the CAISO process.

GEET Project Description

In December 2008, the GEET project was formally submitted to the CAISO in their open Request Window for transmission project proposals. This was done following a preliminary, yet detailed, reliability and economic analysis effort to ensure the viability of the project. The application included the reliability and economic analysis, complete with primary and alternative routes, alternative options, and consistent with CAISO planning procedures, and FERC 890 rules and procedures.

GEE LLC intends to become a Participating Transmission Owner (PTO) under the CAISO Tariff as we continue going through the CAISO planning process. We are in the process of finalizing terms to secure the equity funding for the project and are excited about the opportunity to provide critical transmission service for renewable energy via the new Green Energy Express Transmission (GEET) project.

Briefly, the proposed GEET project will include the following:

- A new 500/230kV substation with a Phase-Shifting Transformer.
- A double circuit, series compensated 500 kV line to SCE's Devers Substation (approximately 70 Miles)
- A double circuit 230 kV line to the Eagle Mountain Substation (~ 1 mile)

This project will be capable of transferring up to 2000 MW of green energy from the surrounding area to the Southern California load centers.

We would like to share a few important characteristics about the GEET project as we have indicated within our application to the CAISO:

The GEET project's primary route of 70 miles originates from a new substation close to the existing Eagle Mtn. 230 kV substation. The GEET line will terminate at SCE's Devers 500 kV substation. The alternative route, which is equally feasible, starts from the same location at Eagle Mtn. and heads north to Iron Mtn. then west and along CA HWY 62 through Twentynine Palms and terminates at the Devers 500 kV station. This option is still open for consideration.

The objective of the GEET project is to provide transmission access to the thousands of MW of solar energy seeking development or already in various interconnection queues in the Eagle Mtn. and Twentynine Palms region, and potentially an alternative to the Iron Mtn. region. As indicated in the June RETI report, Table 3-7, there is over 9000 GWh of potential renewable energy in the Riverside Transmission Group, and the potential for the GEET project to facilitate the conveyance of a portion of the nearly 12,000 GWh from the Iron Mountain Transmission Group. Referring to Table 3-3, the total energy potential for Riverside East is 18,833 MW and Twentynine Palms is 4616 MW. Riverside County is an ideal location for solar energy development and many serious developers have initiated their interconnection studies with the CAISO.

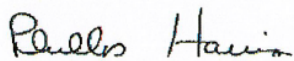
The cost of the GEET line in terms of \$/MW-mile is among the lowest in California. The GEET project will provide more economical access to remote area renewable energy and will encourage the development of new renewable generation thereby diversifying the State's resource mix and reducing California's reliance on fossil fuels.

With approximately 6000 MW presently in the CAISO queue for the eastern region of Riverside County, it would appear that the GEET project, with its funding, its state of development with preliminary reliability and economic analysis, and its inclusion in the CAISO's 2009 planning process, is a prime – high value transmission project that fits the RETI model.

Again, we appreciate the RETI efforts in coordinating all these complex issues and facilitating the development of Renewable Energy. Please do not hesitate to call on us with any questions, clarifications or suggestions. Feel free to contact me at phillip.g.harris@gmail.com or Gary Brown at Gary@ZGlobal.biz.

Signed:

Phil Harris



Cc:

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